

Michigan Public School Academies (Charter Schools) Questions and Answers

1. What is a public school academy (PSA)?

A PSA is a state-supported public school. According to Section 380.504(4) of the [Revised School Code](#), “A public school academy may include any grade up to grade 12 or any configuration of those grades, including kindergarten and early childhood education, as specified in its contract.”

2. Who may apply for a charter?

Any parent, group or entity may apply for a public school academy charter, which are governed by publicly appointed boards.

3. What are the first steps in starting a PSA?

To become a public school academy, you need to be chartered by the Board of an authorizer. In Michigan, an “authorizing body” means:

- any public university,
- community college,
- K-12 local education agency,
- or intermediate school district.

However, not all potential authorizers take advantage of this opportunity. A current [authorizer list](#) is available at the highlighted link.

This does not preclude you from requesting a potential authorizer in your area to consider you as an applicant. At this time there is still a cap imposed on the number of charter schools that public universities may authorize. There is no cap imposed on any other type of authorizers.

Information regarding “Steps to Starting a Charter School” can be accessed via the United States Department of Education, Charter Schools website:

http://www.uscharterschools.org/pub/uscs_docs/ta/steps.htm.

Topics covered are numerous and include:

- Developing a Mission Statement
- Accountability: Standards, Assessment & Using Data
- Budget, Finance, and Fundraising
- Educational Program Design
- Facilities
- Family-Friendly Charter Schools
- Governing Boards
- Human Resources: Staffing for Success
- Legal Issues
- Special Education Resources
- Resources for Charter-Granting Agents
- National Association of Charter Authorizers

4. What law governs the establishment and operation of a PSA?

In Michigan, Public Act 362 of 1993 originally added the authorization of public school academies. Sections 380.501 through 380.507 of the Revised School Code, is the statute governing public school academies. Please see the link to legislation at question number 1.

5. What should be contained in a contract issued to organize and administer a PSA?

Please refer to the [Contract Checklist](#) and the suggested “Best Practices.”

6. How much will I have to pay for tuition?

A PSA may **not** charge tuition.

7. Who provides transportation to a PSA?

A PSA is considered a local school district and is responsible for following the same legislative guidelines for transporting students as a local traditional school district. If the PSA does provide transportation to its enrolled pupils, it must follow the provisions of the Revised School Code (MCL 380.1321) and the Pupil Transportation Act, 1990 PA 187. For further information on transportation issues, please contact Sue Howell at 517/373-6388.

8. May a PSA be selective in their admissions policy?

A PSA may **not** be selective. It may not screen out students based on disability, race, religion, sex, test scores, etc. It may predetermine the ages, grades, and number of students it will serve. A random selection process must be used if the number of applicants exceeds the school’s enrollment capacity.

9. What age does my child have to be to enroll them in kindergarten?

Michigan law entitles a child who is 5 years of age by **December 1** to enroll in kindergarten. There are [Customer Satisfaction](#) issue papers covering a variety of subjects.

The documents are in PDF format (requires the [FREE Adobe® Acrobat® Reader](#)).

- Compulsory School Attendance – Attendance Policies and Grades.
- Enrollment – Proof of Identity and Age.
- Grade Promotion and Retention.
- Graduation Requirements.
- Kindergarten Enrollment Age and Alternative Kindergarten Programs.
- Parental Rights.
- Parent/Student Problem Solving.
- Residency.
- Schools of Choice
- Suspensions and Expulsions.
- Expulsions due to Weapons, Arson and Criminal Sexual Conduct.
- Petition for School Reinstatement
- Parental Involvement Policy – Title I.

10. How do we report immunization on the students in our academy?

If it is a new PSA, then you **must** report on **all** students. If your PSA has been open for more than a year, report on the **entrants**. For more information on this topic, please contact Jacquelyn Perigo at 517/335-9387.

11. What is the chain of command that I should use if my child has a problem at the academy?

First, the school should have in place a student handbook that may address your issue. If not, the chain of command is: teacher, principal, local board of education over the academy (school board president list is available by contacting the Public School Academy Program) and then the authorizer.

12. If a student is enrolled in a PSA during a particular school year, does the student have to be part of the random selection if the PSA exceeds its enrollment number the following school year?

No, a student is automatically granted enrollment privileges for succeeding school years. Siblings of admitted students are granted enrollment priority.

13. Does a PSA have to use certified teachers?

Certification requirements for PSA teachers are identical to those of local school district teachers. Special exceptions are made for a PSA that is operated by a state university or community college that may wish to use collegiate staff to teach PSA students (refer to Section 380.505).

14. May a PSA be religiously affiliated?

No. A PSA must maintain the separation between church and state. If a PSA is utilizing a building that has religious symbols present, they **must** be removed or covered.

15. May private schools become PSA's?

Private schools may become PSA's only if they are **reconstituted** as public entities and accept the duties and responsibilities of becoming a public school academy.

16. Does a PSA qualify for state and federal grant funds in the same manner as a local school district?

Yes, a PSA may access state and federal grants in the same manner as local school districts. Various factors apply to the eligibility of academies and school districts to apply for grants. The Michigan Department of Education publishes a report entitled ["Report of Grants Available,"](#) made available to PSAs and local school districts.

17. How is a PSA funded?

A PSA is funded through the State School Aid Act (1979 PA 94, as amended). A PSA receives funding through the per-pupil base foundation. By law, this amount may not exceed the per-pupil base foundation received by the local school district where the PSA is geographically located.

18. Must all state and federal education dollars be sent directly to the authorizing body of the PSA?

No. The law requires that payments under the State School Aid Act be sent directly to the authorizing bodies. A PSA may receive federal grant funds directly from the Michigan Department of Education by following the same procedures that local school districts are required to follow.

19. If a student voluntarily leaves a PSA, must the student's resident school district enroll the student?

Yes, with the exception of expulsion due to possession of weapons, committing arson, or criminal sexual conduct in a school building or on school grounds, as outlined in the Revised School Code, MCL 380.1311. Expulsions should be handled on an individual basis.

20. If a student voluntarily leaves a local school district must a PSA enroll the student?

Yes, unless the PSA has reached their enrollment capacity.

21. Does a PSA have to enroll a student that has been expelled from another district?

A PSA does **not** have to accept the student.

22. I have heard that there are federal charter school dollars to help start an academy. Is this true?

Yes. There are three possible grants available for new academies. Grants are awarded to the Public School Academy Program (PSAP) from the federal Public Charter Schools office. The PSAP office then makes this grant money available to those academies that are in their first 36 months as an academy. In Michigan, you must be "authorized" and contract elements received before the MDE/PSAP releases grant funds. The PSAP has set a total of \$150,000 per grant. This, of course, is contingent upon MDE receiving federal grant dollars. The federal statute that accompany the grant require strict and full adherence to the PCSP "single grant standard." This "single grant" provision says that if you receive a grant under this "planning phase" you are eligible for up to an additional twenty-four months of continuation funding during the thirty-six (36) months of total **allowable** funding.

23. Must I compete for all three grants?

No. You only compete once. However, you do need to **apply** for each available grant.

24. I have heard there is a dissemination grant available with federal charter school dollars for public school academies. How can I qualify for that?

Yes, there are dissemination grants available. All academies that have been open and serving students for a minimum of three complete school years may apply for this competitive grant. Therefore, if you are in your fourth year of serving students you may apply for this grant. Please refer to the USDOE website or the MDE/PSAP website for additional information.

25. Is the dissemination grant a competitive grant?

Yes, the dissemination grant is a competitive grant. If you are successful competing for this grant you may only be awarded a dissemination grant once.

26. What are the major responsibilities of an authorizing body?

Pursuant to Section 380.502(4): “An authorizing body shall oversee, or shall contract with an intermediate school district, community college, or state public university to oversee, each public school academy operating under a contract issued by the authorizing body. The oversight shall be sufficient to ensure that the authorizing body can certify that the public school academy is in compliance with statute, rules, and the terms of the contract.”¹ These oversight duties include:

- Thoroughly reviewing the applicant’s educational plan. The plan must address the educational needs of the students, curriculum goals and objectives, teaching methods, and student assessment.²
- Determining if all fire, safety, and health codes are met.
- Reviewing and approving the PSA bylaws.
- Developing a description of the methods to be used to monitor the PSA’s compliance with applicable law and its performance in meeting its targeted educational objectives.
- Developing a description of the process for amending the contract during the term of the contract.
- Setting and enforcing the terms of the authorizing contract, including adopting a resolution establishing the method of selection, length of term, and number of members of the board of directors of the PSA.
- Within 10 days after issuing a PSA contract, a PSA contract must be submitted to the state superintendent.
 - A contract with a PSA may be revoked by the authorizing body if one or more of the following occurs:
 - failure of the PSA to meet the education
 - Goals set forth in the contract; failure of the PSA to comply with applicable law; failure of the PSA to meet generally accepted sector accounting principles; or other grounds for revocation specified in the contract.

Additional powers granted to authorizing bodies in the Revised School Code, Section 380.507, include:

- Acting as fiscal agent for the PSA—the state school aid payment for the PSA is paid to the authorizing body that is the fiscal agent for the PSA, which then forwards the payment, less 3 percent, to the PSA.

27. Is a PSA considered a constituent district in intermediate school districts levying area vocational education millage, and do PSA students have access to the programs and services provided with those funds?

¹“If the state board finds that an authorizing body is not engaging in appropriate continuing oversight of 1 or more public school academies operating under a contract issued by the authorizing body, the state board shall suspend the power of the authorizing body to issue new contracts to organize and operate public school academies. A contract issued by the authorizing body during the suspension is void. A contract issued by the authorizing body before the suspension is not affected by the suspension .” [MCL 380.502(5)]

²The Revised School Code states that to the extent applicable, pupils shall be assessed using at least a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279 for a state-endorsed high school diploma. [MCL 380.502(3)(e)(ii)]

Yes, just as with any other public school district located in the intermediate school district. Services must be allocated to a PSA on the same proportional basis used for other constituent districts.

28. Is a PSA eligible for categorical vocational education state aid payments?

Yes. As with all other public school districts, the program must meet the guidelines and be approved by Career Development, Office of Career and Technical Preparation at 517/373-3373.

29. Where do I get information about vocational education program approval?

Contact Career Development, Office of Career and Technical Preparation at 517/373-3373 or at the website of: www.michigan.gov/mdcd.

30. What are the common responsibilities of Public School Academies to the Michigan Department of Education as they relate to financial reporting?

- **Public school academies are required to follow a common fiscal year.** That year begins July 1 and ends June 30 of the following calendar year (MCL 380.1133).
- **Public school academies are required to follow generally accepted accounting principles for governmental entities.** The [Michigan School Accounting Manual](#) addresses many of these and should be used as a reference. Specific questions related to school accounting issues may be directed to public school finance staff at 517/335-0524.
- **Public school academies are required to follow a uniform chart of accounts.** The chart of accounts is found in the [Michigan School Accounting Manual](#) Section 380.1281(c) of the Revised School Code requires the Michigan Department of Education to:
 - “Prescribe appropriate uniform pupil and finance accounting records for use in school districts, public school academies, and intermediate school districts and promulgate rules for their adoption.”
- In addition, the [Administrative Code Rules governing Financial Accounting Systems for public schools](#) (R 340.852) states:
 - “The charts of accounts prescribed and published by the department of education [\[Michigan School Accounting Manual\]](#) shall be used by all local and intermediate school districts....”
- **Public school academies are to submit an annual comprehensive financial report, “Form B,” using the chart of accounts prescribed in the [Michigan School Accounting Manual](#).** The report is submitted electronically, and is filed with MDE by November 15 of each year. The penalty for noncompliance is the **withholding** of state school aid payments. See Section 388.1618(3) and (5) of the State School Aid Act.
- **Public school academies are required to have an audit of their financial accounting records conducted at least annually by certified public accountant.** The audit reports are filed with MDE no later than November 15 of each year. Guidance for the audit is given in the [Michigan School Auditing Manual](#). The penalty for noncompliance is the withholding of state school aid payments. See Section 388.1618(2) and (5) of the State School Aid Act. For further information, contact audit staff at 517/373-4591.

- **All PSA financial audits are subject to Government Auditing Standards (GAS).** The pamphlet describing the standards is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20401, stock number 020-000-00243-3.
- **PSA boards shall adopt a budget prior to the commencement of the fiscal year, using the minimum levels of appropriation described in the [Michigan School Accounting Manual](#)** (section IV of the [Michigan School Accounting Manual](#)).
- **Public school academies are not to adopt or operate under a “deficit budget”** (State School Aid Act, MCL 388.1702. MDE closely monitors entities that violate this statute.
- Public school academies should always seek competent legal counsel before entering into any binding legal or borrowing agreement.

31. Are employees of an outside company who are providing instructional services to students of a public school academy members of the Michigan Public School Employees’ Retirement System (MPERS)?

Attorney General Opinion No. 6915 (1996), addressed two issues: whether PSA’s are subject to section 380.1231 of the Revised School Code, requiring the board of a school district to “hire and contract with qualified teachers”; and whether employees of an outside company who are providing instructional services to PSA students are members of MPERS.

Although instruction in PSA’s is to be provided by certificated teachers, pursuant to this opinion, PSA’s may contract with outside companies for the provision of instructional services. Teachers who are providing instructional services to students of a PSA, who are employed by an outside company rather than by the public school academy, are not members of MPERS.

32. I want to teach in a non-profit public school academy (PSA’s must be non-profit as cited in Section 380.502(1) in the Revised School Code) and want to know how this will affect my college Perkins loan.

Schools, including public school academies that are classified as low-income and non-profit

- The Perkins Loan Forgiveness is processed (money and request for forgiveness) at the college level, which is based on the input received from the Michigan Department of Treasury.
- Students who have a Perkins Loan can request their loan be forgiven if the school they work for participates in the National School Lunch, School Breakfast, and or Special Milk Program; and where 30% or more of the enrolled children have been approved for free and/or reduced price meals or free milk.
- If a teacher works for, and receives a paycheck from, an educational management organization that is **for-profit**, then the teachers Perkins student loan is **NOT** forgiven.
- If a teacher works for a public school academy and receives paycheck from academy, then the teachers Perkins student loan **IS** forgiven.

33. Are charter schools required to adopt core content standards?

Local education agencies and public school academies are required to adopt a model core curriculum per Section 380.1278 of the Revised School Code.

www.Michiganlegislature.gov.

34. May PSA's be granted waivers for rules and regulation?

Waivers may be requested on the application for federal charter school dollars. The request will then go to the Waiver Review Advisory Committee at the Michigan Department of Education. If recommended for approval, it will go to the State Superintendent of Public Instruction for approval.

35. What question should a parent ask a charter school representative before choosing to send their child to that school?

All charter schools are different, even if they use the same curriculum. Visit the school and ask questions about the school's educational program, leadership (governing board and administration), faculty, and policies. Most schools will provide a Parent/Student Handbook, which includes general information.

SPECIAL EDUCATION

1. What options may a PSA use to meet its responsibilities to provide a free appropriate public education, as required by state and federal law, to a student with a disability?

Special education includes all programs and services defined in Rule 340.1701c of the [REVISED ADMINISTRATIVE RULES FOR SPECIAL EDUCATION](#).

As provided in Section 380.1751 of the Revised School Code: www.michiganlegislature.gov.

The board of a local school district [or PSA] shall provide special education programs and services designed to develop the maximum potential of each handicapped person in its district on record...for whom an appropriate educational or training program can be provided in accordance with the intermediate school district special education plan, in either of the following ways or a combination thereof:

- Operate the special education program or service.
- Contract with its intermediate school board, another intermediate school board, another local school district board, and adjacent school district board in a bordering state, the Michigan school for the blind, the Michigan school for the deaf, the department of Community Health (mental health), the department of social service). The intermediate school district of which the local school district [or PSA] is constituent shall be a party to each contract even if the intermediate school district does not participate in the delivery of the program or services.

Pursuant to Attorney General Opinion No. 6915 (1996), PSA's are not required directly to employ teachers. Instruction at a PSA's is to be provided by certificated teachers (exception-refer to Section 380.505) however, PSA's may contract with outside companies for the provision of instructional services. Therefore, "a public school academy is not subject to [Section 380.1231](#) of the Revised School Code, which requires the board of a school district to 'hire and contract with qualified teachers' and it may

contract with an outside company for the provision of instructional services by employees of that company.”

In addition to the methods listed above, a PSA may contract with any agency approved by the State Board for delivery of ancillary professional education services. “Ancillary and other related services” are defined at [Rule 340.1701c](#) in the Revised Administrative Rules for Special Education: “services that are specially designed to meet the unique needs of persons with disabilities to age 25....”

- 2. If a PSA chooses to hire staff or contract with a private agency for “services” as described in question #1 above, is the PSA entitled to apply for reimbursement under the State School Aid Act (Section 388.1651a, special education funding), and the intermediate school district special education millage?**

Yes. A PSA is considered to be a local school district under Section 388.1603(5) of the State School Aid Act, and is considered a local district to be included in the intermediate school district plan for special education programs and services. Therefore, PSA’s have the same right to participate in state school aid and intermediate school district special education funding as any other local school district, in accordance with the provisions to the intermediate school district plan for special education programs and services.

- 3. If a PSA is entitled to intermediate school district special education millage funds, is the PSA held to the same limitations as other local district, i.e., cap on student-staff ratio used for certain categories of programming?**

Yes. For purposes of special education services, a PSA is bound to the same requirements as other local constituent districts served by their respective intermediate school districts. To participate, the PSA, just as any other constituent district, must be recognized in its respective intermediate school district plan for special education programs and services.

- 4. Is a PSA eligible for Individuals with Disabilities Education Act funds?**

Yes. Federal special education funds under the Individuals with Disabilities Education Act are granted to the intermediate school districts. These funds are distributed to constituent local school districts according to the intermediate school district plan for special education programs and services, which must comply with state and federal regulations controlling use and distribution of the funds. The intermediate school district plan for special education programs and services is developed cooperatively with local constituent school districts, including PSAs.

5. If a PSA is eligible for intermediate school district special education millage and Individuals with Disabilities Education Act Funds, must a PSA follow the same requirements as other local educational agencies for obtaining funds, e.g., filing of forms and applications?

Yes. A PSA must follow the same requirements as other local educational agencies. Both state and federal funds are appropriated under Article 5 of the State School Aid Act of 1979, *as amended*, MCL 388.1651a *et seq.*

- Article 5 of the State School Aid Act indicates the funds may be used for the purpose of reimbursing districts and intermediate school districts for special education programs, services, and special education personnel.
- Article 5 of the State School Aid Act allocates funds for:
 - i. Special education programs and services as defined in Article 3 of the Revised School Code, MCL 380.1701, *et seq.*
 - ii. A total of salaries and other compensation paid to approved special education personnel. Rule 340.1771 through Rule 340.1799d provide personnel approval criteria.
- Section 388.1658 of the State School Aid Act, allocates funds to districts and intermediate districts for providing specialized transportation services, as determined by MDE, for pupils in special education programs and services as defined in Section 388.6 of the Revised School Code. Specialized transportation services is defined in Rule 388.371 of the Michigan Administrative Code Rules governing State Aid for Transportation of School children.

6. Must a PSA adhere to all of the Michigan Revised Administrative Rules for Special Education, the Family Education Rights and Privacy Act, the Individuals with Disabilities Education Act, and other state and federal statutes?

Yes. The Individuals with Disabilities Education Act, P.L. 105-17 (IDEA) considers the state as a whole. If the state (as a whole) receives federal funds, then all entities of the public educational system are responsible to comply with IDEA provisions, including ensuring that each eligible child with a disability is provided a “free appropriate public education.” Michigan complies with the IDEA its implementing regulations. A PSA is required to adhere to Michigan statutes and rules for special education, as well as the federal requirements.

The Family Education Rights and Privacy Act (34 CFR Part 99)(FERPA) has a broader applicability than special education; it applies to all public educational entities and their students, whether or not special education is at issue. The purpose of FERPA is to protect the confidentiality of student educational records. FERPA is a federal law that affords parents the right to have access to their children’s education records, the right to seek to have the records amended, and the right to have some control over the disclosure of information from the records. Educational institutions shall not release educational records to non-school employees without consent of the parents. FERPA does permit schools to work with juvenile justice system agencies. Failure of an educational agency or institution to comply with FERPA can result in loss of federal funding.

Section 504 of the Rehabilitation Act of 1973, *as amended*, P.L. 93-112, requires that “no qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits from Federal financial assistance....” The Office for Civil Rights of the

U.S. Department of Education enforces the law prohibiting specific discriminatory activities. The law applies to elementary and secondary, as well as postsecondary schools. The Act was reauthorized in 1998 with amendments and added links to the Workforce Investment Partnership Act of 1998. The Rehabilitation Act Amendments of 1998 included extensive links between vocational rehabilitation agencies and state workforce systems. Section 504 also includes “hidden disabilities,” such as physical and mental impairments that are not readily apparent to others (i.e., learning disabilities, diabetes, epilepsy, heart disease, and chronic illness).

7. Is the intermediate school district required to monitor special education programs and services?

Yes. A PSA is identified in statute as a local public school district and has the same rights and responsibilities as any other school district. The Michigan Department of Education is required to monitor local and intermediate school districts for compliance with the Individuals with Disabilities Education Act and with Michigan’s Revised Administrative Rules for Special Education. This activity includes a PSA.

The intermediate school districts are an integral part of the monitoring process. As such, intermediate school districts must monitor a PSA to ensure their compliance with pertinent special education requirements.

8. To what extent is an intermediate school district responsible for PSA’s serving pupils whose parents reside outside of the intermediate school district where the PSA is located?

The PSA is a constituent district of the intermediate school district in which it is located. The intermediate school district has the same responsibility to the PSA as it does to any other constituent district. It is not unusual for a public school district to serve pupils who come from other districts, including pupils whose parents live in another intermediate school district. The intermediate school district has the same obligation to pupils whose parents live elsewhere as it does to any other pupil legally enrolled by a constituent district.

9. Is there a need to certify PSA students for special education services and identify them as such on the enrollment count if the PSA is not planning to claim additional state funding or federal funding?

If “certify” refers to the process of identifying children who are suspected to have a disability under state or federal law, the response is yes. There is a need to certify irrespective of application or claim for additional state or federal funding.

Michigan, through the state educational agency, is responsible to ensure a free and appropriate public education for every student with a disability who is enrolled in its public school system. Since a PSA is a public school, it is bound by the same requirements as other public intermediate and local school districts within the state. The determination of a PSA to seek no state or federal funds related to special education does not exempt it from this obligation.

10. If a PSA contracts with a private entity to provide speech, psychological, and social work services: (a) must the credentials of the providers be the same as those employed by public schools in general; and (b) must the PSA submit its personnel inventory to the intermediate school district?

This response is intended to refer only to professional personnel related to “special education programs or services.”

In response to part “(a)” of the question, the answer is yes. Standards are articulated in the Revised Administrative Rules for Special Education and the rules governing different professional specialties.

In response to part “(b)” of the question, to meet federal reporting requirements prerequisite to receipt of federal funds requires reporting particular information about public school students and professional personnel to the federal government on an annual basis. The pertinent requirements are contained in 34 CFR 300.380 through 300.383. This information is collected through the Michigan Department of Education’s Special Education “December One Count” reporting process. This process is implemented through intermediate school district data collection procedures for constituent districts. If there are students with disabilities enrolled in a PSA, then the information pertaining to the personnel providing special education programs or services to those students must be reported as part of the “December One Count.”

For further information regarding special education, you may contact the MDE’s website at <http://www.michigan.gov/mde> or telephone 517/373-0923.